

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

**THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,**

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

In re:

**THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,**

as representative of

**PUERTO RICO SALES TAX FINANCING
CORPORATION (“COFINA”),**

Debtor.

PROMESA
Title III

No. 17 BK 3284-LTS

**NOTICE OF WITHDRAWAL BY AAFAF OF PREVIOUSLY FILED
STIPULATION REGARDING BONISTAS EXPENSES AND MOTION TO
VACATE SCHEDULING ORDERS WITH RESPECT TO THE
STIPULATION**

¹The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations.)

To: Counsel to the Financial Oversight and Management Board, Counsel for the Official Committee of Unsecured Creditors and all parties requesting notice under the Tenth Amended Case Management Procedures:

The Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”), as the fiscal agent and financial advisor of the Commonwealth of Puerto Rico, hereby files this notice withdrawing the Stipulation (as defined below) and moves to vacate the scheduling orders with respect to the Stipulation.

On February 11, 2019, AAFAF filed the *Informative Motion Regarding Stipulation Allowing Administrative Expense Claim of Bonistas Del Patio, Inc.* [Case No. 17-3284, Docket No. 582] (the “Informative Motion”), which attached as Exhibit A the *Stipulation Regarding Section 15.2 Expenses* [Case No. 17-3284, Docket No. 582-1] (the “Stipulation”).

On February 12, 2019, the Official Committee of Unsecured Creditors (the “UCC”) filed the *Urgent Response to AAFAF’s Informative Motion Disclosing Proposed Payment of \$7 Million to Bonistas Del Patio, Inc.* [Case No. 17-3284, Docket No. 584] (the “Response”), requesting an order directing that the Bonistas Expenses² not be paid, subject to AAFAF providing additional information.

On February 12, 2019, the Court entered the *Order Directing Response to the Official Committee of Unsecured Creditors’ Urgent Response to AAFAF’s Informative Motion Disclosing Proposed Payment of \$7 Million to Bonistas Del Patio, Inc.* [Case No. 17-3284, Docket No. 586], directing AAFAF to withhold payment of the Bonistas Expenses pending resolution of the UCC’s Response.

² Capitalized terms used but not otherwise defined herein have the meanings given them in the Informative Motion and the Stipulation.

On February 13, 2019, the Court entered the *Order Setting Deadline for Further Response to the Informative Motion Regarding Stipulation Section 15.2 Expenses* [Case No. 17-3284, Docket No. 591] (“February 13 Order”), setting a deadline of February 14, 2019, for the UCC to file any further statement with respect to the Informative Motion and the Response.

On February 14, 2019, the Court entered the *Order Setting Deadline for Joint Status Report in Connection with Informative Motion Regarding Stipulation Section 15.2 Expenses* [Case No. 17-3284, Docket No. 596], setting a deadline of February 21, 2019, for AAFAF and the UCC to meet and confer and file a joint status report.

On February 20, 2019, the Court entered the *Order Revising Deadlines Set Forth in the Court’s Order Entered on February 14, 2019 (ECF No. 596)* [Case No. 17-3284, Docket No. 607].

On April 3, 2019, the Court entered the *Order Further Extending Deadlines Set Forth in the Court’s Order Entered on February 14, 2019 (ECF No. 596)* [Case No. 17-3284, Docket No. 628].

On May 22, 2019, the Court entered the *Order Further Extending Deadlines Set Forth in the Court’s Order Entered on February 14, 2019 (ECF No. 596)* [Case No. 17-3284, Docket No. 638].

On July 1, 2019, the Court entered the *Order Further Extending Deadlines Set Forth in the Court’s Order Entered on February 14, 2019 (ECF No. 596)* [Case No. 17-3284, Docket No. 657] (“July 1 Order”), setting August 22, 2019, as the deadline for AAFAF and the UCC to file a joint status report, and, unless the UCC’s objections have been resolved, for AAFAF to file a separate brief regarding its positions on the contracting issues raised by the UCC. The July 1 Order set September 11, 2019, as the hearing date for AAFAF’s brief to be heard.

AAFAF hereby withdraws the Stipulation. The withdrawal is without prejudice to any

party's rights, claims, remedies and defenses that could be asserted under applicable law.

By virtue of AAFAF's withdrawal of the Stipulation, AAFAF hereby moves the Court to vacate the February 13 Order and the July 1 Order, conditioned upon AAFAF's agreement that neither it, nor the Commonwealth of Puerto Rico, nor any instrumentality of the Government of Puerto Rico will make any payment of the Bonistas Expenses without further proper notice to all parties in interest and order of the Court.

Copies of this notice and motion and all documents filed in the Title III cases are available (a) free of charge by visiting <https://cases.primeclerk.com/puertorico> or by calling +1 (844) 822-9231, and (b) on the Court's website at <http://www.prd.uscourts.gov>, subject to the procedures and fees set forth therein.

Dated: August 19, 2019
San Juan, Puerto Rico

Respectfully submitted,

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**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

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THE COMMONWEALTH OF PUERTO RICO, *et
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No. 17 BK 3284-LTS

**[PROPOSED] ORDER VACATING ORDER SETTING DEADLINE FOR
FURTHER RESPONSE TO THE INFORMATIVE MOTION
REGARDING STIPULATION SECTION 15.2 EXPENSES [ECF NO. 591]
AND ORDER FURTHER EXTENDING DEADLINES SET FORTH IN
THE COURT’S ORDER ENTERED ON FEBRUARY 14, 2019
(ECF NO. 596) [ECF NO. 657]**

¹The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations.)

This matter having come before the Court by the *Notice of Withdrawal by AAFAF of Previously Filed Stipulation Regarding Bonistas Expenses and Motion to Vacate Scheduling Orders with Respect to the Stipulation* (the “Notice and Motion”), filed by the Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”), as fiscal agent and financial advisor of the Commonwealth of Puerto Rico, for the entry of an order (the “Order”) vacating the *Order Setting Deadline for Further Response to the Informative Motion Regarding Stipulation Section 15.2 Expenses*, entered on February 13, 2019 [Case No. 17-3284, Docket No. 591] (“February 13 Order”), and the *Order Further Extending Deadlines Set Forth in the Court’s Order Entered on February 14, 2019 (ECF No. 596)*, entered on July 1, 2019 [Case No. 17-3284, Docket No. 657] (“July 1 Order”), and based upon AAFAF’s withdrawal of the Stipulation, representations made by AAFAF, and good cause having been shown;²

NOW THEREFORE, IT IS HEREBY ORDERED:

1. The February 13 Order is vacated.
2. The July 1 Order is vacated.
3. Neither AAFAF, the Commonwealth of Puerto Rico, nor any instrumentality of the Government of Puerto Rico will make any payment of the Bonistas Expenses without further proper notice to all parties in interest and order of this Court.
4. This Order is without prejudice to the rights of Bonistas del Patio, Inc. and its professionals to seek payment of the Bonistas Expenses and all parties in interests’ defenses thereto.

² Capitalized terms used but not otherwise defined herein have the meanings given them in the Notice and Motion.

5. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Dated: _____, 2019
San Juan, Puerto Rico

Honorable Laura Taylor Swain
United States District Judge